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TESTIMONY of JEAN MILLS ARANHA
Before the APPROPRIATIONS COMMITTEE Regarding H. B. 7148
March 5, 2019

My name is Jean Mills Aranha; I am an attorney at Connecticut Legal Services, Inc., a non-profit law firm helping low-income people attain justice. My practice includes low-income individuals and families, the elderly and persons with disabilities. I am testifying today to emphasize the importance of maintaining the Medicare Saving Program for our clients and the other low-income, elderly and disabled residents of Connecticut.

We urge you to **maintain the current eligibility requirements for the Medicare Savings Program (MSP).** Almost 200,000 low-income individuals receive benefits under MSP. None of them can afford to lose this important benefit. I have attached a chart showing the statewide participation in MSP broken down by town. According to the Department of Social Services, over 90% of MSP recipients are on the Qualified Medicare Beneficiary program, or QMB. **I'd like to explain specifically what the loss of that program would mean for one of my low-income clients.**

The QMB program pays a person's Medicare premiums, deductibles and co-pays. A QMB beneficiary also automatically qualifies for a Low Income Subsidy or "Extra Help" with prescription drug coverage from the federal government, which pays the Part D premium, reduces prescription co-pays and provides coverage in the infamous "donut hole".

Loss of QMB status would mean that an elderly or disabled person would have to pay the following extra expenses:

- A monthly Part B Premium of $135.50;
- A monthly Part D Drug Coverage Premium of about $34;
- 20% of most medical provider cost;
- Drug co-insurance of 25% of the cost of each prescription;
- An annual deductible of $415 for drug coverage;
- An annual deductible of $185 for visits to doctors and other medical providers; and
- A deductible of $1364 for a hospital visit (per each "spell of illness" which can occur more than once a year).

The first month my client loses her QMB coverage, assuming she has two prescription medications, one a generic costing $10 and one a name brand

drug costing $100, **she would have to pay $279.50 out of pocket for her health coverage and her medications**. ($13550 Part B premium, $34 Part D premium, and $110 for the medications, because she has a $415 deductible to meet.) That is in a month in which she is healthy.

If she becomes ill, and has **to see her doctor, she will pay the complete cost of her first visits of the year, up to her $185 Part B deductible.** And **should she have to go into the hospital, she will have to pay the first $1,364 of her hospital bill to satisfy her deductible**. These costs are in addition to the ongoing monthly costs described in the previous paragraph. So, with just one short hospital stay she could easily incur medical costs in excess of her total income for the month. (**If she has a long hospital stay, she will have an additional copay of $335 per day each day after the 60th day.**)

Finally, **if this woman needs to go to a skilled nursing facility for rehabilitation** after a hospital stay, after her 20th day there, she will have a co-pay of $170.50 for each additional day. Therefore, **a 30-day stay would cost her $1,705.** If she needs a second stay within the same year, she does not get any additional fully covered days, **so another two weeks at the rehab facility would cost her another $2,387**.

Given her low income, this woman is likely to try to go home early, or not go at all, foregoing vital rehabilitation, and risking an otherwise avoidable (and expensive) trip to the emergency room, or a return to the hospital or nursing facility in the future. Between the hospital and the nursing facility, she is likely incur debt that she will struggle to pay off, if she is even able to get the care she needs without paying in advance.

Commercial insurance companies offer supplemental or "Medigap" policies to cover some co-pays and deductibles. But the cost for a supplemental policy starts at about $200 per month, and many (the ones with the better coverage) are far more expensive. These premiums are in addition to the Part B and D premiums each month. This is an unaffordable solution for low-income elderly and disabled individuals.

Many of the people receiving QMB benefits are not able to make ends meet without the program. They simply do not have sufficient income to pay for their medical coverage and care. These people, often with low Social Security income after a lifetime of poorly paid jobs, are already living from month to month and deciding which bills to pay and not pay. If they lose their QMB benefits, they will have to make choices about whether to maintain medical coverage or stop paying for other necessities – such as rent, food, transportation and utilities.

Cuts to the Medicare Savings Program threaten the health and economic stability of a large number of elderly and disabled residents. In the end, lack of access to preventive healthcare and treatment for chronic conditions will cause people to forego health care until they must resort to emergency rooms and nursing homes. What looks like a fiscal savings now can easily result in larger Medicaid costs in the future. We strongly urge you not to make changes to the eligibility requirements for this program.

FACTS about the MSP in Your Town

The Medicare Savings Program (MSP) is a Medicaid program designed to help Medicare recipients pay their premiums and health care cost sharing obligations. In calendar year 2018, the number of MSP recipients by town were:*

Andover	113	East Lyme	741	Naugatuck	1948	Southbury	1198
Ansonia	1154	East Windsor	749	New Britain	6947	Southington	2288
Ashford	172	Eastford	79	New Canaan	213	Sprague	159
Avon	502	Easton	118	New Fairfield	282	Stafford	776
Barkhamsted	110	Ellington	469	New Hartford	201	Stamford	5242
Beacon Falls	229	Enfield	2158	New Haven	9552	Sterling	171
Berlin	1055	Essex	227	New London	2231	Stonington	1229
Bethany	138	Fairfield	1589	New Milford	1253	Stratford	2685
Bethel	750	Farmington	1122	Newington	1923	Suffield	459
Bethlehem	146	Franklin	106	Newtown	689	Thomaston	468
Bloomfield	1657	Glastonbury	1043	Norfolk	81	Thompson	554
Bolton	148	Goshen	89	North Branford	566	Tolland	411
Bozrah	129	Granby	320	North Canaan	47	Torrington	3311
Branford	1527	Greenwich	1407	North Haven	1265	Trumbull	1349
Bridgeport	11,010	Griswold	661	N. Stonington	178	Union	17
Bridgewater	42	Groton	1658	Norwalk	3874	Vernon	2127
Bristol	4530	Guilford	729	Norwich	3433	Voluntown	117
Brookfield	467	Haddam	202	Old Lyme	238	Wallingford	2434
Brooklyn	552	Hamden	3340	Old Saybrook	528	Warren	30
Burlington	196	Hampton	97	Orange	431	Washington	106
Canaan	293	Hartford	11,456	Oxford	355	Waterbury	10,315
Canterbury	237	Hartland	59	Plainfield	1206	Waterford	1099
Canton	433	Harwinton	207	Plainville	1313	Watertown	1329
Chaplin	115	Hebron	225	Plymouth	777	West Hartford	2940
Cheshire	973	Kent	144	Pomfret	164	West Haven	3346
Chester	246	Killingly	1628	Portland	413	Westbrook	471
Clinton	639	Killingworth	209	Preston	205	Weston	90
Colchester	720	Lebanon	279	Prospect	426	Westport	486
Colebrook	37	Ledyard	409	Putnam	974	Wethersfield	1556
Columbia	194	Lisbon	193	Redding	94	Willington	215
Cornwall	67	Litchfield	469	Ridgefield	462	Wilton	496
Coventry	411	Lyme	59	Rocky Hill	1053	Winchester	962
Cromwell	763	Madison	538	Roxbury	60	Windham	2118
Danbury	3830	Manchester	3585	Salem	108	Windsor	1576
Darien	191	Mansfield	508	Salisbury	164	Windsor Locks	660
Deep River	237	Marlborough	214	Scotland	31	Wolcott	974
Derby	844	Meriden	4878	Seymour	956	Woodbridge	245
Durham	195	Middlebury	315	Sharon	111	Woodbury	374
East Granby	148	Middlefield	145	Shelton	1863	Woodstock	264
East Haddam	343	Middletown	3233	Sherman	79		
East Hampton	513	Milford	2364	Simsbury	575		
East Hartford	3938	Monroe	527	Somers	372		
East Haven	2202	Montville	950	S. Windsor	1011		
		Morris	91				

*Source: Department of Social Services ImpaCT data, Medical Benefit Plan Participation, Enrollment Counts for Calendar Year 2018. Note that DSS asserts that these numbers are based on actual participants and not on estimates and averaging as represented in previous data under their old computer systems.

For more information contact Sara Parker McKernan, Legislative/Policy Advocate,
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